



VST

SHAKTI

SAMACHAR

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FROM THE EDITORIAL DESK

Dear VSTeans,

Festive mood is in the air and we, from Editorial Team wish you all a very happy festive season. We hope these festive lights will broaden our horizons and enlighten our innovative spirits to achieve goals and milestones in tandem with the organization.

We appreciate all the members of VST family for their participation and feedback, in line with them we have made few changes in terms of content by focusing on educational information in this issue of VST Shakti Samachar. We have given exclusive article on Tractor market scenario with business statistics in India. We hope this article will help you understand external factors in our industry and make necessary changes and improvements to suit the conditions.

We thank the field force of VST family for giving us this opportunity to document their efforts of the last quarter that includes imperative programs like demonstrations, training, road shows and all other promotional activities in this issue of VST Shakti Samachar and look forward for more in the coming issues.

Adios till again,

Abinash Gouda
Branding

INSPIRATIONAL QUOTES FROM DR. APJ ABDUL KALAM



“Dream is not that which you see while sleeping it is something that does not let you sleep.”

“It is very easy to defeat someone, but it is very hard to win someone”

“For great men, religion is a way of making friends; small people make religion a fighting tool.”

“Dreams are not those which comes while we are sleeping, but dreams are those when u don't sleep before fulfilling them.”

“All birds find shelter during a rain. But Eagle avoids rain by flying above the clouds. Problems are common, but attitude makes the difference!!!”



Hello VSTeans,

At the outset, I would like to thank VST Group for giving me an opportunity to be a part of V.S.T. Tillers Tractors family to facilitate in growing this organization to the greater heights. I have worked in Mico Bosch, Tyco Electronics and Pricol Limited for over 34 years. I joined this organization on 17th August 2015 as Chief Executive Officer.

I have gone through the newsletters published so far and appreciate the Editorial team for their sustained effort to keep this communication flowing.

I compliment our team members for their efforts and enthusiasm on the field, especially in training the farmers on the usage of VST agricultural implements and continue to penetrate the untapped markets.

I wish that the articles of VST Shakti Samachar reach every VSTean through this newsletter to keep abreast with the developments in technology, new product introduction, happenings in the company and the market dynamics.

Thank you.

Subbaiah K.U.
Chief Executive Officer

DEALER EMPLOYEE FORUM

MR. D. P. DAHE



D. P. Dahe was born in Kopargaon near Shirdi to a farmer family in the year 1966. He completed his studies with a B.Sc degree and started working in the family farm initially. Later he got a job in M/s. Pragati Irrigation under the Boraste Group in 1987 as production supervisor. In 1988 Boraste Group started a dealership franchise of VST Mitsubishi Tractors in Pimpalgaon, Baswant Niphad Taluk and Mr. Dahe was promoted to the sales division and transferred to M/s. Boraste Enterprises. Since then Mr. Dahe had been loyal to the organization and had been working very hard to meet targets and improve and increase sales and is now working as Administrative Officer at M/s. Boraste Enterprises.

His wife is a school teacher and they have a daughter who is studying in Kendriya Vidyalaya (Air force) and he credits his development and achievement in the company to his supportive family.

MRS. K. USHA

Mrs. K. Usha is a devoted staff of M/s. Reliable Agro Ind Supplies, Mysore who works in the spare parts department managing spare parts stock since over 27 years and has an impeccable career record. She is very soft spoken and cordial with all the customers and also is very patient in helping the customers with their requirements. She is well versed with all the spare parts and knows the part numbers, price and logistics of every item in the department. She has trained many colleagues over the years and some of them shifted to mechanic work and some are working as spare part sellers.

She is fluent in many languages like Kannada, Tamil, Telugu, Hindi, Malayalam and even English to some extent. Her integrity and presence of mind has saved many mishaps at several times.



FEW TIPS FOR SAFE DIWALI

Diwali is a festival that has an amazing quality of not just brightening our lives but make it more interesting with the festivities associated with it. However, a little precaution could add more sparkle to Diwali, and even a bit of callousness could lead to fatal consequences. Every year, the festival sees a considerable number of burn emergency, trauma and respiratory emergencies. Thanks to our carelessness, we end up spoiling the festive spirit hurting ourselves in various ways.

Precautions

- Burst crackers in open spaces and keeping a safe distance
- Ensure fire extinguishers are in working condition
- Staircase and refuge area should be kept free to escape while in emergency
- Do not overload an electric socket, just in order to have a brighter Diwali
- Approach roads should be kept free for passage of fire brigade vehicles
- Don't use powder or ghee or any other home remedies on burnt body surface, this always creates a chance of infection.
- In case of any emergency, rush to the nearest hospital.
- Do not light oil lamps and crackers at home
- Do not keep stock of crackers near fire

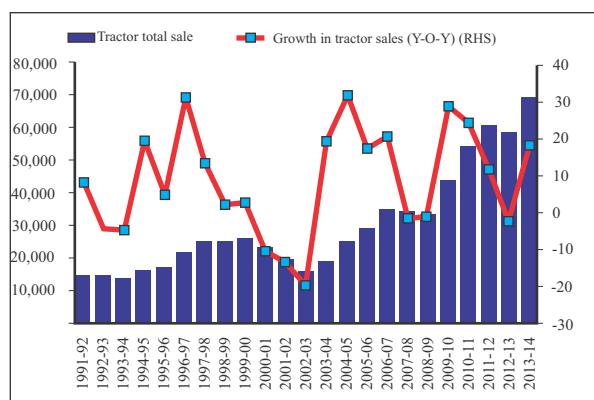
TRACTOR MARKET IN INDIA



Agricultural machinery is of considerable importance in increasing yields and productivity of crops as it is used in various operations such as sowing, reaping and application of fertilizers. Some of the principal agricultural machinery products are tractors, power tillers, rotovators and threshers. The significant factor boosting growth in the agricultural machinery industry is the rising population which leads to the increased requirement for food and related products. The other major determinant, driving the growth in the agricultural machinery segment, is the need to reduce the labour cost. The substitution of manual labour with machinery can help in reducing labour cost; moreover, upgrade in consistency and accuracy in operations are other advantages of using agricultural machinery.

The domestic tractor demand prior to 1950 was met through imports; however, after this period, the Government banned the imports owing to deficiency of foreign exchange and removed restrictions on farm mechanization. As per Crisil Research, the domestic tractor sales have grown at a CAGR of 8.5% over the last two decades.

Value and Growth in Sales of Tractors

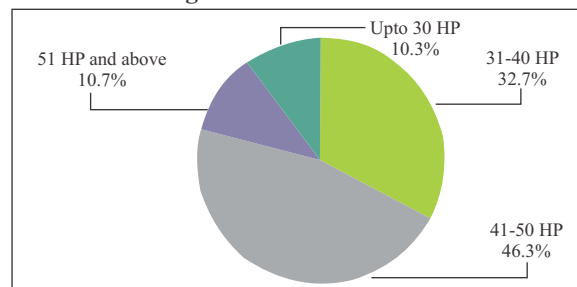


India is one of the largest manufacturers of tractors globally, and the decline in the availability of labour has had a favorable impact in this regard. The gradual progress in the agricultural sector supplemented by rise in government subsidies for food, fertilizers and agricultural equipments, and schemes to waive farm loans has enabled the development of the Indian tractor market.

Segmentation of tractors:

Tractors are classified as small, medium and large tractors depending on the engine's horsepower. The Indian tractors have an average size of 35HP, while the small tractors in international markets begin from 50HP. The tractors with power delivery of less than 30HP are considered small, while those with 31-40HP as medium sized and those with over 40HP as large sized. It is most preferable to use small tractors in the soft soil areas which are well irrigated and it is majorly used in the northern states of the country. The medium sized tractors are utilized in southern and western parts of the country as the fields in these regions possess hard soil. The application of large tractors with power delivery greater than 40HP is generally utilized by the large farmers owning extensive landholdings rather than the marginal or small scale farmers. There exists substantial demand for the large tractors in Punjab and Haryana.

Segmentation of Tractors

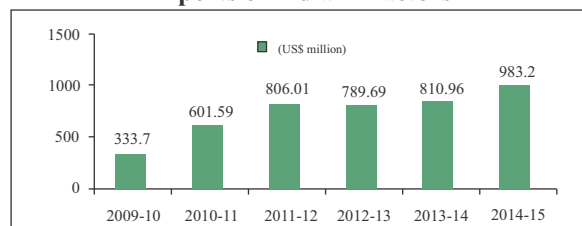


Source: Crisil Research

Exports of Tractors

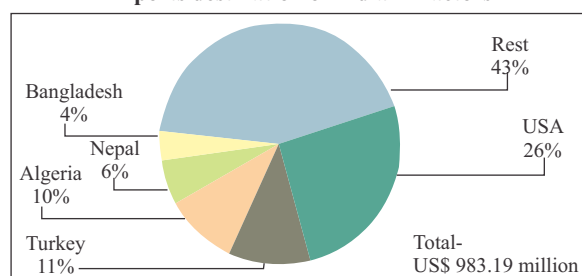
Exports of tractors from India amounted to US\$938.2 million during the year 2014-15 and exhibited a growth rate of 21% over the previous year. The tractor exports have been displaying an increasing trend and the exports have grown at a compound annual growth rate of 24.1% during the period 2009-10 to 2014-15. The USA is the leading export destination of Indian tractors and it accounted for nearly 26% of the aggregate share of exports during the year 2014-15. The other significant tractor sourcing countries from India are Turkey, Algeria, Nepal and Bangladesh with shares of 11%, 10%, 6% and 4% respectively.

Exports of Indian Tractors



Source: DGCIS

Exports destination of Indian Tractors



Source: DGCIS

Challenges faced by the industry

- Deficiency of skilled workforce:** The leading constraint faced by the tractor industry is the limited availability of skilled labour as the talented workforce is not keen on working for this sector. The absence of proper infrastructural facilities in the rural areas and the uncertainty and insecurity of earnings from the repair and servicing of tractors is posing a major challenge for the growth of tractor industry.
- Financial constraint:** A major obstacle faced by the tractor industry is the deficiency of finances faced by the farmers. A large number of farmers in India are facing shortage in financing and are consequently unable to take the advantage of the benefits offered by farm mechanization. Owing to the inadequate income from farming, the small scale farmers can't afford to buy expensive agricultural machinery and it is only the affluent sections of the farmer's society who can avail the services of agricultural machinery.

- Escalation in the price of raw materials:** The rise in the cost of principal raw materials used in the production of tractors such as steel and iron is another challenge faced by the industry. The fluctuation in the prices of these raw materials presents a hurdle for the tractor manufacturers as substantial price rises would make it unaffordable for the farmers to purchase tractors.

Factors affecting the Industry:

Irrigation Intensity and Monsoons: The availability of irrigational facilities is of considerable importance in determining the demand for tractors as the farmers would be willing to invest in farm machinery given the fact that they have access to basic amenities such as irrigation. Historical data establishes that a rise in the irrigation expenditure among the Indian farmers over the years lead to stable farm income and enhanced ability to purchase tractors. Thus, improvement in irrigational facilities causes an expansion in tractor penetration.

Landholding Pattern: The average landholding size in India has been diminishing led by separation of joint families and the division of ancestral land holdings. This has had mixed effects on the tractor industry. While, the disintegration of landholdings has also made the usage of tractors uneconomical.

Availability of Credit: As per various studies, in India, nearly 75% of tractors purchased are using bank credit and thus any significant changes in the financing norms have an implication on the demand for the industry. The usage of agricultural credit for investing in farm mechanization has been rising over the years, and consequently has resulted in increased tractor sales in the country.

Minimum support prices of food grains: Procurement prices are fixed by the Government to safeguard the interest of the farmers and prevent distress sale. These procurement prices are used as a base for calculating the market price of food grains and ultimately have an impact on the farmer's income and thereby on the repayment of loans availed to buy tractors.

Prospects of the Industry:

The concern about feeding a growing population entails the need for greater mechanization and increased focus on improving crop productivity, which encompasses the usage of higher levels of farm mechanization. Moreover, the rural-urban exodus is also having a considerable impact on the farm machinery industry. Thus the prospects for the tractor industry are positive; however, the uncertainty of rains and monsoon deficits may adversely affect the prospects for the industry. The exports of the sector are also anticipated to augment as the economies worldwide are likely to recover from the economic downturn in the near future.

Reference: Crisil Research, Industry Sources

RICE TRANSPLANTER DEMO & TRAINING - MAHARASHTRA

Demonstration and training programs were organized at various parts of Maharashtra in the months of July and September 2015 on the usage of VST Rice Transplanter and to educate the farmers in these areas on the benefits of using the rice transplanter in their fields. The events were attended by some of the prominent members of Maharashtra Government.



Mr. Uday Choudhary (IAS), CEO of Zilla Parishad, Mr. Bansode, ADO, Mr. Mahaveer Jangate, SAO, Thane District were our honorable guests at Kharivali village, Thane District, Maharashtra in the month of July 2015. They encouraged the farmers to use our rice transplanters and also taken a trial of our products. Few students studying agricultural science also attended the demo and training program.



Mr. More, MLA of Bhivandi advocated VST Rice Transplanter in the program conducted at Bhivandi encouraging women farmers as a part of the program to support women empowerment in the rural areas of Maharashtra.



At Sahapur, Maharashtra in the month of July 2015. Mr. Pandurang Barora, MLA of Sahapur attended the demo and training program and he had also taken a trial run of the rice transplanter.

MAGAZINE AD



V.S.T. Tillers Tractors Ltd. received letters of appreciation from couple of trusts in Bihar for our support in the 'Sunehra Kal' project.

FREE SERVICE CAMPS - MAHARASHTRA

Our dealer M/s. Dandwate Tractors, Rahata had organized free service camps for VST tractors & power tillers at Ganore village, Akole taluk and Javala village, Parmear taluk in Ahmednagar district, Maharashtra in the month of September 2015. In the light of overwhelming response received, we have decided to conduct a minimum of 25 camps in various areas till 31 March 2016.



BLOOD DONATION CAMP - MAHARASHTRA

Our dealer M/s. Kunal Tractors, Beed, Maharashtra had participated in a blood donation camp organized by Majalagaon Sugar Factory at Majalagaon, Maharashtra in the month of August 2015 as part of a social service activity. Many people around the area participated in the event to make it a grand success.

DEMOS AND ROAD SHOWS



Demo of VST Mitsubishi Shakti VT 224 -1D tractor



RTP Demo by RAMA Tractors, Dhamtari, Chattisgarh



Demo and Road Show by SLN Agritech



Road Show by Sangameshwar Traders, Kalaburgi



Road Show by Ani Agro, Osmanabad.



Road Show on VST Shakti power tiller, its uses in hilly areas by Panwar Enterprises, Palampur, Himachal Pradesh



VST - ERUDITE

ARCH GATE FOR 50:50 OFFER

MAHARASHTRA



Shree Balaji Sales & Services,
Gadchiroli



Shree Sai Agro Care
Machinery, Nanded



Rameshwar Tractor Agro
Agency, Parbhani



Khemka Motors,
Nagpur



Molairaj Motors, Shahada



S.S.Patil Tractors &
Power Tillers, Pachora



Vaishnomata Tractors,
Shirpur



Aditya Tractor,
Jalna



Kunal Tractors, Beed



Sai Tractor & Spare Parts,
Karanja



Ramnath Tractor & Tillers,
Yavatmal



Bhawani Tractors,
Khaamgaon

GUJARAT



Cama Agencies, Himmatnagar



Shivshakti Tractors, Mehsana



Shri Datar Krishi, Rajkot



Shivshakti Trading, Patan



Tractor Seminar, Himatnagar

VST - RETROSPECTIVES

AGRICULTURE MELA & EXHIBITION - ODISHA



An agriculture mela & exhibition was held at Badasahi block Maurbhanj district, Odisha in the month of July 2015. Our dealer M/s. Pushpak Traders had attended the exhibition representing V.S.T. Tillers Tractors Ltd. Sri. Rabindra Jena, MP Balasore, Smt. Sarojini Hemram, MP Maurbhanj, Sri Ganeswar Patra, MLA Badasahi had honored the exhibition as chief guests. Our 22HP Tractor & YANMMAR Rice Transplanter were displayed at the exhibition.



AGRI EXHIBITION - MAHARASHTRA

An Agri Exhibition was held at Aurangabad, Maharashtra in the month of August 2015. Our dealer M/s. Pruthvi Tractors had attended the exhibition representing V.S.T. Tillers Tractors Ltd.



MILESTONES

NEW SHOWROOM - ANDHRA PRADESH



Our dealer M/s. Kisan Agritech has inaugurated a new exclusive showroom for VST tractors at Kadapa, Andhra Pradesh.

NEW SHOWROOM - GUJARAT



Our dealer M/s. CAMA Agency has inaugurated a new exclusive showroom for VST tractors at Himatnagar, Gujarat.

PR ACTIVITIES



Published in Andhra Jyothi Newspaper
in the month of September 2015



Published in the monthly magazine 'Gramin Umang' in the month of August 2015



VST SHAKTI

V.S.T. TILLERS TRACTORS LTD



A VST GROUP
ENTERPRISE

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PR
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